

NEGOTIATION PROCESS

Collaborative Negotiations

2007 Negotiation Process for Local Health Departments

2007 Negotiation Process for Local Agencies (Non-Local Health Department)

Checklist for Performance-based Contract Process

Types of Objectives for the 2007 Performance-based Contracts

COLLABORATIVE NEGOTIATIONS

Lessons Gleaned from *Winning Negotiations That Preserve Relationships*
Harvard Business School Press

All of us negotiate constantly all day long. For example, you negotiate with your 7-year-old about how much TV to watch, with your spouse about who's going to pick up the kids from practice or who's going to cook dinner. In a meeting, you negotiate who is going to follow-up with what, or you negotiate with other commuters on the drive home with your car.

So what is negotiation anyway?

Successful Negotiations

- The best negotiations are collaborative.
- They take place under the assumption that the parties' relationship is equally as important as the details of the deal.
- They take some understanding and practice to do them well.

What Negotiation Isn't

- It's not about outwitting or taking advantage of others.
- It's not just about getting the best possible price on a deal

The Best Solution: The most effective negotiations result in mutually beneficial, enduring relationships in which parties trust one another and share expectations about how their deals will work out in practice as well as on paper.

Why Negotiation is Important

- Today we need more input and cooperation from one another to fulfill our job responsibilities
- This isn't to say that relationships are more important than results
- Both results and relationships are important

Challenges to Negotiation

- Establishing a collaborative context for bargaining
- Forging and sustaining solid strategic partnerships
- Negotiating under high-pressure conditions (such as during intense conflicts or with an especially hard-nosed counterpart)

Key to Collaborative Negotiation

- Clarify your own needs and goals
- Try to understand the other side's interests by asking questions
- Test your understanding through paraphrasing and summarizing
- Resist the urge to "tell the other side what a good deal it is getting"
- Don't rush – let the process happen

Compromise is not Collaboration

- Two major problems with compromise:
- When mediation becomes indistinguishable from capitulation
- When asked to compromise over matters of principles
- Produces results that are intermediate, lukewarm, mediocre

Conflict Resolution can be Collaborative

- Can produce something new and creative
- Listen carefully to both sides to grasp the context of conflict and the emotions involved
- Understand the forces behind the situation
- Look for creative ways to build on common ground and move toward resolution

2007 NEGOTIATION PROCESS FOR LOCAL HEALTH DEPARTMENTS

What follows in this document are the procedures and responsibilities developed for Local Health Departments (LHDs), Division of Public Health (DPH) Regional Office Contract Administrators and DPH Central Office Program Staff, designed to assure timely negotiation of 2007 performance-based contracts.

The local agency, DPH regional office contract administrator and the DPH central office program staff will complete all negotiations electronically via the Grants and Contracts (GAC) System. Any negotiating party may request a conference call to discuss issues at any time during the process. The regional office contract administrator is responsible for tracking that negotiations for a program are completed within four (4) weeks of LHDs entering objectives.

Local Health Departments will receive an automatic payment in January 2007.

Local Health Departments:

- Enter objectives into GAC by September 15, 2006, or contact the DPH Regional Office Contract Administrator to establish a different date
- Choose a template objective(s)¹ or create a unique objective(s) based on a community need
- Document accountability targets in GAC negotiations, if necessary, for systems or community level interventions
- Review assigned quality criteria² for applicability
- Activate the automatic e-mail function³ in GAC once all objectives are entered for a program.
This is the only time you will push this email function button.
- Review e-mail messages from GAC that identify those objectives for which negotiation notes have been created the previous day and provide an appropriate response within seven (7) working days.
- Designate a back-up negotiator if a response is not possible within seven working days
- Continue electronic negotiations until all parties reach an agreement or one of the parties determines a three-way phone call is necessary to come to agreement
- Complete negotiations within four (4) weeks of entering objectives for a program (If negotiations are not completed within four weeks, the regional office contract administrator will schedule a conference call to complete)
- Contact the Regional Office Director if there is a problem with getting responses from DPH staff
- Review the final negotiated objectives and sign-off once you receive the email⁴ stating that the editing process is complete
- Return the signed contract to the DPH Office of Operations by January 2, 2007 to assure a February payment.

¹ Template objectives must be created through GAC's objectives list screen. If a LPHD chooses a template objective, the objective statement (which will appear in red type) and associated fields will automatically load. The only modifications allowed to the template language are those to specify numbers, names, required text, etc. The LPHD must add required baseline detail and can add additional context or input/activities.

² By default, all program quality criteria are added to the contract for each program when an objective is valued. To view the assigned quality criteria for a contract, run the QC Questions Report located on the General Contract Information screen. If the LHD feels that certain quality criteria do not apply for a particular objective, they should indicate that by making an entry into Negotiations for review by DPH central office staff.

³ The automatic email function sends a message to the DPH Contract Administrator and Central Office program staff that the objectives for a program are ready for initial review and comment. The LHD generates the email by clicking the "Email" button located on the GAC Contract Programs screen.

⁴ Upon tentative agreement, the DPH editor will review the objectives and sign-off. When the editor signs-off, an email is automatically sent to the negotiating parties to indicate the edit is complete and sign-off by others is possible. DPH staff will sign-off followed by the Health Officer or her/his designee

2007 NEGOTIATION PROCESS FOR LOCAL HEALTH DEPARTMENTS

Regional Office Contract Administrators:

- Complete all negotiations electronically via the GAC System
- Establish the dates for LHDs to enter objectives into GAC if the agency indicates it cannot meet the September 15th target date and inform DPH Central Office program staff
- Complete initial objective review within seven (7) working days of objectives being entered⁵
- Designate a back-up negotiator if a response is not possible within seven working days
- Monitor email messages from GAC that identify those objectives for which negotiation notes have been created the previous day and provide an appropriate response within seven (7) working days
- Designate a back-up negotiator if a response is not possible within seven working days
- Continue electronic negotiations until all parties reach an agreement or one of the parties determines a three-way phone call is necessary to come to agreement
- Schedule a three-way conference call at any time if any of the negotiating parties feel it is necessary to expedite the process or if the negotiations are not completed within four (4) weeks of the objectives being entered
- Enter accountability target statements (if negotiated) into the objective's Risk Profile data field titled Accountability Targets
- Notify the editor once negotiations are completed
- Complete data entry for the fields on the GAC Objective Other Detail screen while the contract is in edit status
- Review the final objectives and sign-off upon notification that the editing process⁶ is complete

Central Office Program Staff:

- Complete all negotiations electronically via the GAC System
- Complete initial objective⁷ review within seven (7) working days of objectives being entered⁸
- Designate a back-up negotiator if a response is not possible within seven working days
- Monitor email messages from GAC that identify those objectives for which negotiation notes have been created the previous day and provide an appropriate response within seven (7) working days.
- Designate a back-up negotiator if a response is not possible within seven working days
- Respond to (negotiate) any agency negotiation notes stating certain Quality Criteria do not apply for a particular objective and de-select those Quality Criteria from that objective if in agreement
- Continue electronic negotiations until all parties reach an agreement or one of the parties determines a three-way phone call is necessary to come to agreement
- Complete negotiations within four (4) weeks of entering objectives for a program (If negotiations are not completed within four weeks, the regional office contract administrator will schedule a conference call to complete)
- Review the final objectives and sign-off upon notification that the editing process is complete

⁵ The automatic email function sends a message to the DPH staff that the objectives for a program are ready for initial review and comment. The LHD generates the email by clicking the "Email" button located on the GAC Contract Programs screen

⁶ Upon tentative agreement, the DPH editor will review the objectives and sign-off. When the editor signs-off, an email is automatically sent to the negotiating parties to indicate the edit is complete and sign-off by others is possible. The DPH staff will sign-off followed by the Health Officer or her/his designee

⁷ If an objective is joint-funded, e.g. a MCH objective valued using MCH and Prevention funds, then the MCH program staff should elicit comments from the Prevention program staff and enter the comments into Negotiations

⁸ The automatic email function sends a message to the DPH staff that the objectives for a program are ready for initial review and comment. The LHD generates the email by clicking the "Email" button located on the GAC Contract Programs screen

2007 NEGOTIATION PROCEDURES FOR LOCAL AGENCIES (NON-LOCAL HEALTH DEPARTMENT)

What follows in this document are the procedures and responsibilities developed for local agencies, Division of Public Health (DPH) Regional Office Contract Administrators and DPH Central Office Program Staff, designed to assure timely negotiation of 2007 performance-based contracts.

The local agency, DPH regional office contract administrator and the DPH central office program staff will complete all negotiations electronically via the Grants and Contracts (GAC) System. Any negotiating party may request a conference call to discuss issues at any time during the process. The regional office contract administrator is responsible for tracking that negotiations for a program are completed within four (4) weeks of the agency entering objectives.

Local Agency:

- Enter objectives into GAC by October 6, 2006, or contact the DPH Regional Office Contract Administrator to establish a different date
- Choose a template objective(s)¹ or create a unique objective(s)
- Review assigned quality criteria² for applicability
- Activate the automatic e-mail function³ in GAC once all objectives are entered for a program **This is the only time you will push this email function button.**
- Review e-mail messages from GAC that identify those objectives for which negotiation notes have been created the previous day and provide an appropriate response within seven (7) working days.
- Designate a back-up negotiator if a response is not possible within seven working days
- Continue electronic negotiations until all parties reach an agreement or one of the parties determines a three-way phone call is necessary to come to agreement
- Complete negotiations within four (4) weeks of entering objectives for a program (If negotiations are not completed within four weeks, the regional office contract administrator will schedule a conference call to complete)
- Contact the Regional Office Director if there is a problem with getting responses from DPH staff
- Review the final negotiated objectives and sign-off once you receive the email⁴ stating that the editing process is complete
- The agency must return a signed contract to the DPH Office of Operations by December 1, 2006 to assure a January 2007 payment.

¹ Template objectives must be created through GAC's objectives list screen. If an agency chooses a template objective, the objective statement (which will appear in red type) and associated fields will automatically load. The only modifications allowed to the template language are those to specify numbers, names, required text, etc. The agency must add required baseline detail and can add additional context or input/activities.

² By default, all program quality criteria are added to the contract for each program when an objective is valued. To view the assigned quality criteria for a contract, run the QC Questions Report located on the General Contract Information screen. If the agency feels that certain quality criteria do not apply for a particular objective, they should indicate that by making an entry into Negotiations for review by DPH central office staff.

³ The automatic email function sends a message to the DPH Contract Administrator and Central Office program staff that the objectives for a program are ready for initial review and comment. The agency generates the email by clicking the "Email" button located on the GAC Contract Programs screen.

⁴ Upon tentative agreement, the DPH editor will review the objectives and sign-off. When the editor signs-off, an email is automatically sent to the negotiating parties to indicate the edit is complete and sign-off by others is possible. DPH staff will sign-off followed by the local agency.

2007 NEGOTIATION PROCEDURES FOR LOCAL AGENCIES (NON-LOCAL HEALTH DEPARTMENT)

Regional Office Contract Administrators:

- Complete all negotiations electronically via the GAC System
- Establish the date for the agency to enter objectives into GAC if the agency indicates it cannot meet the October 6th target date and inform DPH Central Office program staff
- Complete initial objective review within seven (7) working days of objectives being entered⁵
- Designate a back-up negotiator if a response is not possible within seven working days
- Monitor email messages from GAC that identify those objectives for which negotiation notes have been created the previous day and provide an appropriate response within seven (7) working days
- Designate a back-up negotiator if a response is not possible within seven working days
- Continue electronic negotiations until all parties reach an agreement or one of the parties determines a three-way phone call is necessary to come to agreement
- Schedule a three-way conference call at any time if any of the negotiating parties feel it is necessary to expedite the process or if the negotiations are not completed within four (4) weeks of the objectives being entered
- Propose risk profile data in GAC once objectives are agreed upon – negotiate with the local agency and finalize
- Notify the editor once negotiations are completed
- Complete data entry for the fields on the GAC Objective Other Detail screen while the contract is in edit status
- Review the final objectives and sign-off upon notification that the editing process⁶ is complete

DPH Central Office Program Staff:

- Complete all negotiations electronically via the GAC System
- Complete initial objective review within seven (7) working days of objectives being entered⁷
- Designate a back-up negotiator if a response is not possible within seven working days
- Monitor email messages from GAC that identify those objectives for which negotiation notes have been created the previous day and provide an appropriate response within seven (7) working days
- Designate a back-up negotiator if a response is not possible within seven working days
- Respond to (negotiate) any agency negotiation notes stating certain Quality Criteria do not apply for a particular objective and de-select those Quality Criteria from that objective if in agreement
- Continue electronic negotiations until all parties reach an agreement or one of the parties determines a three-way phone call is necessary to come to agreement
- Complete negotiations within four (4) weeks of entering objectives for a program (If negotiations are not completed within four weeks, the regional office contract administrator will schedule a conference call to complete)
- Review the final objectives and sign-off upon notification that the editing process is complete

⁵ The automatic email function sends a message to the DPH staff that the objectives for a program are ready for initial review and comment. The agency generates the email by clicking the “Email” button located on the GAC Contract Programs screen

⁶ Upon tentative agreement, the DPH editor will review the objectives and sign-off. When the editor signs-off, an email is automatically sent to the negotiating parties to indicate the edit is complete and sign-off by others is possible. The DPH staff will sign-off followed by the local agency.

GAC CHECKLIST FOR PERFORMANCE-BASED CONTRACT PROCESS

Instructions in *italics and bolded, teal green type* signify specific GAC functions.

- _____ Agency notified by E-mail that GAC objectives are loaded in GAC by _____ (responsible person) by _____ (date)
- _____ Agency chooses to accept funds: Time Line 8/1-8/21
- If choosing template:
 - Click **Add Template**
 - Enter required fields for objective:
 - Agency name
 - Contract deliverable output (numbers, percentages etc)
 - Baseline
 - Optional: Input, Context
 - If choosing unique:
 - Develop SMART objective including required fields of :
 - **Objective Detail**
 - **Contract Deliverable**
 - **Data Source for Measurement**
 - **Baseline for Measurement**
 - **Context**
 - **Input**
 - Click **Update** to save
 - Complete objective value
 - Click **Update**
 - Click **E-mail** when complete
- _____ Email has been generated to all three parties that the objective is complete:
Time Line 8/21-10/31
- Contract administrator reviews and adds **Negotiation** note
 - Program reviews and adds **Negotiation** note
 - Must be done within 7 days (will email an alternate contact if unavailable)
 - (Local Use: Start Date_____ End Date_____)
- _____ Contract agreed upon: Time line: By 11/1
- Contract administrator completes:
 - **Objective Risk Profile** [for Private/Non-Profit Agencies]
 - **Other Objective Detail**
 - Contract Administrator refers for editing
- _____ Sign Off
- Editor signs off
 - Contract Administrator sign off
 - Program signs off
 - Agency signs off
 - Click **Sign Off**

TYPES OF OBJECTIVES FOR THE 2007 PERFORMANCE-BASED CONTRACTS

Non-Negotiated Assurance Objective: An assurance objective reflects that comprehensive program services will be conducted in the agency jurisdiction throughout the contract period. This objective is offered to agencies receiving a minimal funding allocation set by the central office program offering the objective. If this objective is selected by an agency, the baseline rates must be provided in GAC. There is no negotiation of an assurance objective; it is automatically accepted by all parties. Not every program has non-negotiated assurance objectives. No agency is required to choose an assurance objective.

Agencies that receive a funding allocation higher than the minimal set for the assurance objective can select the assurance objective, however, it is not automatically accepted. It must be negotiated and therefore becomes more like a template objective (see below).

In the GAC, non-negotiated assurance objectives are indicated in **green** type.

Required Objective: A required objective is one that a program requires for each agency. It may be driven by federal requirements, state requirements, Division policy or in an approved grant application. Not every program has required objectives.

Template Objective: A template objective is one that reflects common language for a specific program outcome or output. Programs have also used template objectives to reflect desired program direction. To be a template, the objective must remain unaltered except for the addition of agency jurisdiction and agency specific numbers. Almost every program has template objectives. No agency is required to choose template objectives.

In the GAC, template objectives are indicated in **red** type.

Unique Objective: A unique objective is one that is created by the agency to reflect a community need. If the unique objective fails within the scope of the program boundary statement, it cannot be rejected without negotiation.